

## Message Text

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12

ORIGIN EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-14 IO-14 ISO-00

FEA-02 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 FRB-02

H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04

RSC-01 AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00

USIA-15 PRS-01 SP-03 OMB-01 SWF-02 /244 R

DRAFTED BY EB:SWEINTRAUB

APPROVED BY ASSISTANT SECRETARY DESIGNATE ENDERS

S/S:WHLUERS

TREAS.: MR. BENNETT

AID/AA/PPC: PBIRNBAUM

IO - MR. BUFFUM

WHITE HOUSE - MR. HINTON

ARA - MR. KUBISCH

S/P - MR. LEWIS

----- 079468

P 071711Z JUN 74

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI PRIORITY

AMEMBASSY ROME

AMEMBASSY CANBERRA

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY JIDDA

USINT BAGHDAD

AMEMBASSY STOCKHOLM

AMEMBASSY COPENHAGEN

AMEMBASSY TOKYO

AMEMBASSY BUENOS AIRES

AMEMBASSY PARIS

AMEMBASSY RABAT

AMEMBASSY PORT OF SPAIN

AMEMBASSY TEHRAN

USINT ALGIERS

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AMEMBASSY ATHENS

AMEMBASSY LONDON  
AMEMBASSY CARACAS  
AMEMBASSY MEXICO  
AMEMBASSY LAGOS  
AMEMBASSY ADDIS ABABA  
AMEMBASSY KINSHASA  
AMEMBASSY ABIDJAN  
AMEMBASSY BONN  
AMEMBASSY BRASILIA  
AMEMBASSY BOGOTA  
AMEMBASSY OTTAWA  
AMEMBASSY KINGSTON  
AMEMBASSY JAKARTA  
AMEMBASSY KUALA LUMPUR  
INFO USMISSION OECD PARIS PRIORITY  
USMISSION USUN NEW YORK  
USMISSION EC BRUSSELS

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E.O. 11652:

TAGS: EAID, EGEN

SUBJECT- FORUM FOR DISCUSSION AND COORDINATION OF  
ASSISTANCE TO HARDEST HIT COUNTRIES

1. AT LAST C-20 DEPUTIES MEETING, LDC DEPUTIES PROPOSED  
"INSTITUTIONALIZING" ON A CONTINUING BASIS WHAT HAS BEEN  
A TECHNICAL SUB-GROUP ON THE TRANSFER OF REAL RESOURCES  
WITHIN THE C-20, WHICH IS EXPECTED TO GO OUT OF  
EXISTENCE NEXT WEEK. THE INITIAL CONCEPTION OF THE  
PROPOSAL WAS THAT THIS BODY, LIKE THE C-20, SHOULD BE  
LIMITED IN SIZE TO 20 GOVERNORS, NORMALLY MEET AT  
MINISTERIAL LEVEL, AND INVOLVE BOTH THE IMF AND THE  
WORLD BANK, POSSIBLY WITH STAFF SUPPORT. IT WAS EN-  
VISAGED THAT THIS NEW MINISTERIAL COMMITTEE WOULD BE  
FORMALLY ESTABLISHED BY RESOLUTIONS AT THE ANNUAL BANK/  
FUND MEETINGS IN SEPTEMBER, AND THAT THE RESOLUTIONS  
WOULD PROVIDE FOR PARTICIPATION BY THE GATT, OECD,  
UNCTAD, UNDP AND OTHER AGENCIES. AS PRESENTED BY  
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THE C-20 LDCS, THE COMMITTEE WOULD CONDUCT STUDIES,  
REPORT ANNUALLY AT THE MEETINGS OF THE BANK/FUND, AND  
WOULD PERFORM MOST OF ITS WORK THROUGH A GROUP OF  
SENIOR NATIONAL OFFICIAL EXPERTS.

2. THERE WAS NO DISAGREEMENT AT THE C-20 DEPUTIES  
MEETING TO THE FORMATION OF THIS GROUP, ALTHOUGH THERE

WAS NO IMMEDIATE AGREEMENT AS TO ITS PRECISE TERMS OF REFERENCE OR MODUS OPERANDI. THE PROPOSED GROUP WILL BE CONSIDERED AGAIN AT THE C-20 DEPUTIES MEETING ON JUNE 10 AND 11 AND THE MINISTERS MEETING ON JUNE 12 AND 13 IN WASHINGTON.

3. THE NEW GROUP DOES NOT YET HAVE A FORMAL NAME. ONE SUGGESTION WOULD BE COUNCIL TO STUDY THE TRANSFER OF RESOURCES, WHICH WAS PROPOSED DURING THE LAST C-20 DEPUTIES MEETING. WE WONDER WHETHER A BETTER NAME WOULD BE SOMETHING ALONG THE LINES OF DEVELOPMENT COUNCIL.

4. RECIPIENT ACTION POSTS ARE REQUESTED TO MAKE A LOW KEY APPROACH TO APPROPRIATE HOST COUNTRY OFFICIALS WHO DEAL WITH C-20 AND WORLD BANK MATTER, AS WELL AS THOSE RESPONSIBLE FOR DEVELOPMENT MATTERS IN GENERAL, AND MAKE THE FOLLOWING POINTS WITH RESPECT TO THE PROPOSED GROUP. PLEASE REPORT REACTIONS.

A. THE U. S. BELIEVES THAT THE FORMATION OF A GROUP OF LIMITED SIZE OF THE TYPE PROPOSED BY THE LDCS THEMSELVES WOULD BE USEFUL. WE ARE INCLINED TO BELIEVE, HOWEVER, THAT THE GROUP SHOULD, NOT ONLY DEAL WITH LONGER TERM ISSUES OF RESOURCE TRANSFERS, AS WAS ENVISAGED IN THE ORIGINAL LDC PROPOSAL, BUT ALSO BEGIN PROMPTLY TO EXAMINE THE POSSIBILITIES OF ORGANIZING LONG TERM CONCESSIONARY ASSISTANCE TO THOSE LDCS HARDEST HIT BY THE HIGHER LEVELS OF OIL AND OTHER PRICES.

B. IF THE NEW BODY IS TO HAVE A MEANINGFUL AND RAPID INPUT ON HELP FOR HARDEST HIT COUNTRIES, IT WOULD HAVE TO SPEED UP ITS TIMETABLE. ONE WAY TO DO THIS WOULD BE LIMITED OFFICIAL USE

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FOR THE SENIOR GOVERNMENT OFFICIALS, WHO ALWAYS WERE ENVISAGED TO GUIDE THE WORK OF THE GROUP, TO BEGIN TO MEET PROMPTLY AFTER THE C-20 MEETINGS SO THAT IT COULD BEGIN ITS WORK IN JUNE. IN THIS WAY, NOT ONLY COULD THE NEW DEVELOPMENT COUNCIL BE AT THE ANNUAL IMF/IBRD MEETING IN SEPTEMBER BUT VARIOUS SPECIFIC IDEAS AND PROPOSALS COULD ALSO BE DEVELOPED FOR THIS MEETING, AND THE NEW COUNCIL COULD HOLD ITS FIRST MEETING THEN.

C. IN MAKING THE FOREGOING SUGGESTION, YOU SHOULD STATE THAT THE U. S. WOULD NOT ENVISAGE THE DEVELOPMENT COUNCIL AS BEING COMPETITIVE EITHER WITH THE ONGOING WORK IN THE UN OR THE NORMAL WORK OF THE DEVELOPMENT ASSISTANCE COMMITTEE, BUT RATHER AS COMPLEMENTING THEM IN A FORUM WHICH IS MORE LIMITED IN SIZE AND WHICH

MAY INCLUDE DIFFERENT MINISTRIES THAN IN THE UN, AND  
IS MORE BROADLY REPRESENTATIVE OF AID DONORS,  
RECIPIENTS, OIL EXPORTERS, AND OTHER LDCS THAN IS THE  
DAC.

5. IF QUERIED ABOUT U. S. ASSISTANCE, YOU SHOULD SAY  
THAT YOU ARE UNINSTRUCTED AS TO THE TYPE AND AMOUNT OF  
OUR CONTRIBUTIONS. WE ARE CONSULTING OTHER COUNTRIES  
IN ORDER TO TAKE INTO ACCOUNT THEIR VIEWS IN PROCEEDING  
NEXT WEEK. KISSINGER

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## Message Attributes

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